



STATE BOARD OF EQUALIZATION
PROPERTY TAXES DEPARTMENT
450 N STREET, MIC: 63, SACRAMENTO, CALIFORNIA
(PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0063)
TELEPHONE (916) 445-1516
FAX (916) 323-8765

JOHAN KLEHS
First District, Hayward

DEAN F. ANDAL
Second District, Stockton

CLAUDE PARRISH
Third District, Torrance

JOHN CHIANG
Fourth District, Los Angeles

KATHLEEN CONNELL
Controller, Sacramento

E. L. SORENSEN, JR.
Executive Director
No. 99/07

January 27, 1999

TO COUNTY ASSESSORS:

RECISION OF LETTER TO ASSESSORS NO. 86/75
“AIRLINE POSSESSORY INTERESTS IN GOVERNMENT-OWNED AIRPORTS”

The above-referenced Letter To Assessors (LTA) No. 86/75 is obsolete and is hereby rescinded.

The advice in LTA No. 86/75 asserted that the value of an airline's taxable possessory interest in airport facilities must be determined by reference to all rights that are incorporated in that interest, including “offices, ticket areas, docking areas, repair facilities and runways.” This advice has been superseded by:

1. The State Board of Equalization's adoption of Property Tax Rule 20, Taxable Possessory Interests, effective May 6, 1998. The rule specifies that an airline's use of an airport runway or taxiway is not sufficiently independent of government control to support a finding of a possessory interest.
2. Enactment of Assembly Bills 1807 (Chapter 86, Statutes of 1998) and 2318 (Chapter 85, Statutes of 1998).

Please contact our Technical Services Section at (916) 445-4982 if you have any questions.

Sincerely,

/s/ William B. Jackson for

Richard C. Johnson
Deputy Director
Property Taxes Department

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